

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 2 - 0 6

2. STATE:

OKLAHOMA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

06.01/02

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.250

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ 7,755,750

b. FFY 2003 \$ 8,259,277

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Page 17

(Budget Analysis)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same page, Revised 02/11/99, TN# 99-01

10. SUBJECT OF AMENDMENT:

Change in methodology for payment of Indirect Medical Education

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Mike Fogarty

14. TITLE:

Chief Executive Officer

15. DATE SUBMITTED:

5-2-02

16. RETURN TO:

Oklahoma Health Care Authority
Attn: Billie Wright
4545 N. Lincoln, Suite 124
Oklahoma City, OK 73105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

3 MAY 2002

18. DATE APPROVED:

25 JUNE 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1 JUNE 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Calvin G. Cline

21. TYPED NAME:

CALVIN G. CLINE

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

c: Mike Fogarty
Jim Hancock
Billie Wright

State: OKLAHOMA

METHODS AND STANDARDS OF
REIMBURSEMENT FOR IN-HOSPITAL SERVICES

F. Indirect Medical Education (IME) Adjustment

Effective February 11, 1999, acute care hospitals that qualify as major teaching hospitals will receive an indirect medical education (IME) payment adjustment, which covers the increased operating, or patient care, costs that are associated with approved intern and resident programs.

1. In order to qualify as a major teaching hospital and be deemed eligible for an IME adjustment, the hospital or hospitals of common ownership must:
 - a) Belong to the Council on Teaching Hospitals or have a medical school affiliation; and
 - b) Be licensed by the State of Oklahoma; and
 - c) Have 150 or more full-time equivalent FTE residents enrolled in approved teaching programs
2. Eligibility for an IME adjustment will be determined by the OHCA using the provider's most recently received annual cost report or the application described in paragraph G. (4) for the quarterly Direct Medical Education Supplemental Incentive payment adjustment.
3. An annual fixed IME payment pool will be established, not to exceed, the base year 2002 amount of \$22,023,994 trended forward for inflation. The base year amount will be updated each July 1 using the first quarter publication of the DRI PPS-type hospital market basket forecast for the midpoint of the upcoming fiscal year. The pool of funds will be distributed annually each state fiscal year. The payments will be distributed equally to all providers who qualify. For hospitals that have public-private ownership, or have entered into a joint operating agreement, payment will be made to the public entity that is organizationally responsible for the public teaching mission.
4. If payment in paragraph F. (3) causes total payments to exceed Medicare upper limits as required by 42 CFR 447.272, the payment in paragraph F. (3) will be reduced to not exceed the Medicare upper limit.

Revised 06-01-02

TN# 02-06 Approval Date 06-25-02 Effective Date 06-01-02
Supersedes
TN# 99-01

STATE <u>OKLAHOMA</u>	A
DATE REC'D <u>05-03-02</u>	
DATE APP'D <u>06-25-02</u>	
DATE EFF <u>06-01-02</u>	
HCFA 179 <u>OK-02-06</u>	